9 December 2013

Eurogroup statement on Cyprus

The Eurogroup welcomes the conclusion of the Troika's second review mission that the adjustment programme is on track. Macroeconomic conditions are developing in line with programme projections, albeit uncertainty remains high. Fiscal consolidation is advancing in line with the agreed consolidation process. Structural reforms are progressing, although in some cases further efforts are required. Progress continues to be made as regards the recapitalisation and restructuring of the financial sector, including a further gradual relaxation of administrative measures.

We commend the Cypriot authorities for the progress achieved in this review and underline that a full and timely policy implementation remains essential to address the many challenges that the Cypriot economy is facing. In particular, we welcome the firm commitment of the Cypriot authorities to strengthen the privatisation plans as agreed with the Troika institutions.

Against this background, the Eurogroup endorsed, in principle, the disbursement of the next tranche of financial assistance to Cyprus. After completion of the national procedures and formal approval by the ESM governing bodies, the ESM is scheduled to disburse EUR 100 million by the end of this year. The IMF Executive Board is scheduled to decide on the disbursement of EUR 86 million on 20 December.